

Introduced by Senator Burton

February 13, 2003

An act to amend Sections 6750, 6752, and 6753 of the Family Code, and to add Section 1300.5 to the Labor Code, relating to minors, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 210, as introduced, Burton. Minors: artistic employment contracts.

(1) Existing law regulates certain contracts for artistic employment between an unemancipated minor and third parties, including employment as an actor, dancer, musician, comedian, singer, stuntperson, voice-over artist, or other performer or entertainer, or sports participant. Existing law provides for the establishment of a trust for the purpose of preserving for the benefit of the minor certain portions of the minor's gross earnings.

This bill would expand those provisions to include modeling, and would define a minor's gross earnings for these purposes. The bill would specify who is a minor's employer for these purposes. The bill would specify the time period within which a minor's employer must receive a true and accurate photocopy of the trustee's statement. The bill would require the employer of a minor to forward to the Actors' Fund of America the funds ordered to be set aside for the minor, and to so notify the parent, guardian, or trustee, if the parent, guardian, or trustee fails to provide the photocopy, as specified. The bill would also specify the rights and duties of the Actors' Fund of America in this regard, exempt funds received by the Actors' Fund of America under the bill from the application of the Unclaimed Property Law, and provide for the dispersal of those funds to a beneficiary who has attained 18 years

of age or to the estate of a deceased beneficiary. The bill would provide that the trust account established for the minor pursuant to these provisions would be known as a Coogan Trust Account. The bill would make corresponding changes, and restrict the issuance of work permits for a minor in the entertainment industry, as specified.

(2) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 6750 of the Family Code is amended to
2 read:

3 6750. This chapter applies to the following contracts entered
4 into between an unemancipated minor and any third party or
5 parties on or after January 1, 2000:

6 (a) A contract pursuant to which a ~~person~~ minor is employed or
7 agrees to render artistic or creative services, either directly or
8 through a third party, including, but not limited to, a personal
9 services corporation (loan-out company), *or through a casting*
10 *agency or modeling agency*. “Artistic or creative services”
11 includes, but is not limited to, services as an actor, actress, dancer,
12 musician, comedian, singer, stunt-person, voice-over artist, or
13 other performer or entertainer, or as a songwriter, musical
14 producer or arranger, writer, director, producer, production
15 executive, choreographer, composer, conductor, or designer.

16 (b) A contract pursuant to which a ~~person~~ minor agrees to
17 purchase, or otherwise secure, sell, lease, license, or otherwise
18 dispose of literary, musical, or dramatic properties, or use of a
19 person’s likeness, voice recording, performance, or story of or
20 incidents in his or her life, either tangible or intangible, or any
21 rights therein for use in motion pictures, television, the production
22 of sound recordings in any format now known or hereafter
23 devised, the legitimate or living stage, or otherwise in the
24 entertainment field.

25 (c) A contract pursuant to which a ~~person~~ minor is employed or
26 agrees to render services as a participant or player in a sport.



1 ~~(d) Where~~—(1) *It a minor is employed or agrees to render*
2 *services directly for any person or entity, that person or entity shall*
3 *be considered the minor's employer for purposes of this chapter.*

4 (2) *If a minor's services are being rendered through a*
5 *third-party individual or personal services corporation (loan-out*
6 *company), the person to whom or entity to which that third party*
7 *is providing the minor's services shall be considered the minor's*
8 *employer for purposes of this chapter.*

9 (3) *If a minor renders services as an extra, background*
10 *performer, or in a similar capacity, or as a model, through an*
11 *agency or service that provides one or more such performers or*
12 *models for a fee (casting agency or modeling agency), the agency*
13 *or service shall be considered the minor's employer for the*
14 *purposes of this chapter.*

15 (e) (1) *For purposes of this chapter, the minor's "gross*
16 *earnings" shall mean the total compensation payable to the minor*
17 *under the contract, or, if the minor's services are being rendered*
18 *through a third-party individual or personal services corporation*
19 *(loan-out company), the total compensation payable to that third*
20 *party for the services of the minor.*

21 (2) *Notwithstanding paragraph (1), with respect to contracts*
22 *pursuant to which a person is employed or agrees to render*
23 *services as a musician, singer, songwriter, musical producer, or*
24 *arranger only, for purposes of this chapter, the minor's "gross*
25 *earnings" shall mean the total amount paid to the minor pursuant*
26 *to the contract, including the payment of any advances to the minor*
27 *pursuant to the contract, but excluding deductions to offset those*
28 *advances or other expenses incurred by the employer pursuant to*
29 *the contract, or, if the minor's services are being rendered through*
30 *a third-party individual or personal services corporation*
31 *(loan-out company), the total amount payable to that third party*
32 *for the services of the minor.*

33 SEC. 2. Section 6752 of the Family Code is amended to read:

34 6752. (a) A parent or guardian, as the case may be, entitled
35 to the physical custody, care, and control of a minor who enters
36 into a contract of a type described in Section 6750 shall provide a
37 certified copy of the minor's birth certificate indicating the
38 minor's minority to the other party or parties to the contract and
39 in addition, in the case of a guardian, a certified copy of the court
40 document appointing the person as the minor's legal guardian.

1 (b) (1) Notwithstanding any other statute, in an order
2 approving a minor's contract of a type described in Section 6750,
3 the court shall require that 15 percent of the minor's gross earnings
4 pursuant to the contract be set aside by the minor's employer in
5 trust, in an account or other savings plan, and preserved for the
6 benefit of the minor in accordance with Section 6753. The court
7 may also require that more than 15 percent of the minor's gross
8 earnings be set aside in trust, in an account or other savings plan,
9 and preserved for the benefit of the minor in accordance with
10 Section 6753, upon request of the minor's parent or legal guardian,
11 or the minor, through his or her guardian ad litem.

12 (2) The court shall require that at least one parent or legal
13 guardian, as the case may be, entitled to the physical custody, care,
14 and control of the minor at the time the order is issued be appointed
15 as trustee of the funds ordered to be set aside in trust for the benefit
16 of the minor, unless the court shall determine that appointment of
17 a different individual, individuals, entity, or entities as trustee or
18 trustees is required in the best interest of the minor.

19 (3) ~~The~~ *Within 10 business days after commencement of*
20 *employment, the* trustee or trustees of the funds ordered to be set
21 aside in trust shall ~~promptly~~ provide the minor's employer with a
22 true and accurate photocopy of the trustee's statement pursuant to
23 ~~subdivision (e)~~ Section 6753.

24 (4) The minor's employer shall deposit or disburse the funds as
25 required by the order within 15 business days of receiving the
26 order and receiving the trustee's statement pursuant to Section
27 6753. Notwithstanding any other statute, pending receipt of the
28 trustee's statement, the minor's employer shall hold for the benefit
29 of the minor the percentage ordered by the court of the minor's
30 gross earnings pursuant to the contract.

31 (5) When making the initial deposit of funds pursuant to the
32 order, the minor's employer shall provide the financial institution
33 with a copy of the order.

34 (6) Once the minor's employer deposits the set aside funds
35 pursuant to Section 6753, in trust, in an account or other savings
36 plan, the minor's employer shall have no further obligation or duty
37 to monitor or account for the funds. The trustee or trustees of the
38 trust shall be the only individual, individuals, entity, or entities
39 with the obligation or duty to monitor and account for those funds
40 once they have been deposited by the minor's employer. The



trustee or trustees shall do an annual accounting of the funds held in trust, in an account or other savings plan, in accordance with Sections 16062 and 16063 of the Probate Code.

(7) The court shall have continuing jurisdiction over the trust established pursuant to the order and may at any time, upon petition of the parent or legal guardian, the minor, through his or her guardian ad litem, or the trustee or trustees, on good cause shown, order that the trust be amended or terminated, notwithstanding the provisions of the declaration of trust. An order amending or terminating a trust may be made only after reasonable notice to the beneficiary *and, if the beneficiary is then a minor*, to the parent or guardian, if any, and to the trustee or trustees of the funds ~~if the beneficiary is then a minor~~, with opportunity for all parties to appear and be heard.

(8) The trustee or trustees of the funds ordered to be set aside shall promptly notify the minor's employer in writing of any change in facts that affect the employer's obligation or ability to set aside the funds in accordance with the order, including, but not limited to, a change of financial institution or account number, or the existence of a new or amended order issued pursuant to paragraph (7) amending or terminating the employer's obligations under the original order. The written notification shall include the information set forth in paragraph (3) and shall be accompanied by a true and accurate photocopy of the new or amended order.

(9) (A) *If a parent, guardian, or trustee fails to provide the minor's employer with a true and accurate photocopy of the trustee's statement pursuant to Section 6753 within 60 days of the employer's receipt of the order, the employer shall forward to the Actors' Fund of America the funds ordered to be set aside and a copy of the order, and shall notify the parent, guardian, or trustee of that transfer by certified mail to the last known address. Upon receipt of those forwarded funds, the Actors' Fund of America shall become the trustee of those funds and the minor's employer shall have no further obligation or duty to monitor or account for the funds.*

(B) *The Actors' Fund of America shall make its best efforts to notify the parent, guardian, or trustee of their responsibilities to provide a true and accurate photocopy of the trustee's statement pursuant to Section 6753, and in the case of a guardian, a certified copy of the court document appointing the person as the minor's*

1 *legal guardian. Within 15 business days of receiving those*
2 *documents, the Actors' Fund of America shall deposit or disburse*
3 *the funds as directed by the trustee's statement, and in accordance*
4 *with the order. When making that deposit or disbursement of the funds,*
5 *the Actors' Fund of America shall provide the financial institution*
6 *with a copy of each applicable order, and shall thereafter have no*
7 *further obligation or duty to monitor or account for the funds.*

8 (c) (1) Notwithstanding any other statute, for any minor's
9 contract of a type described in Section 6750 that is not being
10 submitted for approval by the court pursuant to Section 6751, or
11 for which the court has issued a final order denying approval, 15
12 percent of the minor's gross earnings pursuant to the contract shall
13 be set aside by the minor's employer in trust, in an account or other
14 savings plan, and preserved for the benefit of the minor in
15 accordance with Section 6753. At least one parent or legal
16 guardian, as the case may be, entitled to the physical custody, care,
17 and control of the minor, shall be the trustee of the funds set aside
18 for the benefit of the minor, unless the court, upon petition by the
19 parent or legal guardian, the minor, through his or her guardian ad
20 litem, or the trustee or trustees of the trust, shall determine that
21 appointment of a different individual, individuals, entity, or
22 entities as trustee or trustees is required in the best interest of the
23 minor.

24 (2) ~~A—~~ *Within 10 business days of commencement of*
25 *employment, a parent or guardian, as the case may be, entitled to*
26 *the physical custody, care, and control of the minor shall promptly*
27 *provide the minor's employer with a true and accurate photocopy*
28 *of the trustee's statement pursuant to subdivision (c) of Section*
29 *6753 and in addition, in the case of a guardian, a certified copy of*
30 *the court document appointing the person as the minor's legal*
31 *guardian.*

32 (3) The minor's employer shall deposit 15 percent of the
33 minor's gross earnings pursuant to the contract within 15 business
34 days of receiving the trustee's statement pursuant to subdivision
35 (c) of Section 6753, or if the court denies approval of the contract,
36 within 15 business days of receiving a final order denying approval
37 of the contract. Notwithstanding any other statute, pending receipt
38 of the trustee's statement or the final court order, the minor's
39 employer shall hold for the benefit of the minor the 15 percent of
40 the minor's gross earnings pursuant to the contract. *When making*

1 *the initial deposit of funds, the minor's employer shall provide*
 2 *written notification to the financial institution or company that the*
 3 *funds are subject to Section 6753.*

4 (4) Once the minor's employer deposits the set aside funds in
 5 trust, in an account or other savings plan pursuant to Section 6753,
 6 the minor's employer shall have no further obligation or duty to
 7 monitor or account for the funds. The trustee or trustees of the trust
 8 shall be the only individual, individuals, entity, or entities with the
 9 obligation or duty to monitor and account for those funds once they
 10 have been deposited by the minor's employer. The trustee or
 11 trustees shall do an annual accounting of the funds held in trust, in
 12 an account or other savings plan, in accordance with Sections
 13 16062 and 16063 of the Probate Code.

14 (5) Upon petition of the parent or legal guardian, the minor,
 15 through his or her guardian ad litem, or the trustee or trustees of
 16 the trust, to the superior court in any county in which the minor
 17 resides or in which the trust is established, the court may at any
 18 time, on good cause shown, order that the trust be amended or
 19 terminated, notwithstanding the provisions of the declaration of
 20 trust. An order amending or terminating a trust may be made only
 21 after reasonable notice to the beneficiary *and, if the beneficiary is*
 22 *then a minor*, to the parent or guardian, if any, and to the trustee
 23 or trustees of the funds ~~if the beneficiary is then a minor~~, with
 24 opportunity for all parties to appear and be heard.

25 (6) A parent or guardian, as the case may be, entitled to the
 26 physical custody, care, and control of the minor shall promptly
 27 notify the minor's employer in writing of any change in facts that
 28 affect the employer's obligation or ability to set aside funds for the
 29 benefit of the minor in accordance with this section, including, but
 30 not limited to, a change of financial institution or account number,
 31 or the existence of a new or amended order issued pursuant to
 32 paragraph (5) amending or terminating the employer's obligations
 33 under this section. The written notification shall be accompanied
 34 by a true and accurate photocopy of the trustee's statement and
 35 attachments pursuant to subdivision (c) of Section 6753, or a true
 36 and accurate photocopy of the new or amended order.

37 (7) (A) *If a parent, guardian, or trustee fails to provide the*
 38 *minor's employer with a true and accurate photocopy of the*
 39 *trustee's statement pursuant to Section 6753, within 60 days of*
 40 *commencement of employment, the employer shall forward to The*

1 *Actors' Fund of America the 15 percent of the minor's gross*
2 *earnings pursuant to the contract, and shall notify the parent,*
3 *guardian, or trustee of that transfer by certified mail to the last*
4 *known address. Upon that transfer, the Actors' Fund of America*
5 *shall become the trustee of those funds and the minor's employer*
6 *shall have no further obligation or duty to monitor or account for*
7 *the funds.*

8 (B) *The Actors' Fund of America shall make best efforts to*
9 *notify the parent, guardian, or trustee of their responsibilities to*
10 *provide a true and accurate photocopy of the trustee's statement*
11 *pursuant to Section 6753 and in the case of a guardian, a certified*
12 *copy of the court document appointing the person as the minor's*
13 *legal guardian. After receiving those documents, The Actors' Fund*
14 *of America shall deposit or disburse the funds as directed by the*
15 *trustee's statement, and in accordance with Section 6753, within*
16 *15 business days. When making that deposit or disbursal of the*
17 *funds, The Actors' Fund of America shall provide notice to the*
18 *financial institution that the funds are subject to Section 6753, and*
19 *shall thereafter have no further obligation or duty to monitor or*
20 *account for the funds.*

21 (C) *The Actors' Fund of America shall notify each beneficiary*
22 *of his or her entitlement to the funds that it holds for the*
23 *beneficiary, within 60 days after the date on which its records*
24 *indicate that the beneficiary has attained 18 years of age, by*
25 *sending that notice to the last known address that it has for the*
26 *beneficiary, or to the beneficiary's parent or guardian, where it has*
27 *no specific separate address for the beneficiary.*

28 (d) *Where a parent or guardian, as the case may be, is entitled*
29 *to the physical custody, care, and control of a minor who enters*
30 *into a contract of a type described in Section 6750, the relationship*
31 *between the parent or guardian, as the case may be, and the minor*
32 *is a fiduciary relationship that is governed by the law of trusts,*
33 *whether or not a court has issued a formal order to that effect. The*
34 *parent or guardian, as the case may be, acting in his or her fiduciary*
35 *relationship, shall, with the earnings and accumulations of the*
36 *minor under the contract, pay all liabilities incurred by the minor*
37 *under the contract, including, but not limited to, payments for*
38 *taxes on all earnings, including taxes on the amounts set aside*
39 *under subdivisions (b) and (c) of this section, and payments for*
40 *personal or professional services rendered to the minor or the*

business related to the contract. Nothing in this subdivision shall be construed to alter any other existing responsibilities of a parent or legal guardian to provide for the support of a minor child.

(e) ~~With respect to contracts pursuant to which a person is employed to render services as a musician, singer, songwriter, musical producer, or arranger only, “gross earnings” for purposes of this chapter means the amount paid directly to the minor pursuant to the contract, including the payment of any advances to the minor pursuant to the contract, but excluding deductions to offset those advances or other expenses incurred by the employer pursuant to the contract.~~ (1) *Except as otherwise provided in this subdivision, the Actors’ Fund of America, as trustee of unclaimed set-aside funds, shall manage and administer those funds in the same manner as a trustee under the Probate Code. Notwithstanding the foregoing, the Actors’ Fund of America is not required to open separate, segregated individual trust accounts for each beneficiary but may hold the set-aside funds in a single, segregated master account for all beneficiaries, provided it maintains accounting records for each beneficiary’s interest in the master account.*

(2) (A) *After one year following the date that it provides the notice under subparagraph (C) of paragraph (7) of subdivision (c), if the beneficiary does not claim his or her account balance, the Actors’ Fund of America shall have the right to transfer funds from the master account, or from a beneficiary’s segregated account to its general account in an amount equal to the beneficiary’s balance. The Actors’ Fund of America shall have the right to use those funds transferred to its general account to provide programs and services for young performers. This use of the funds does not limit or alter the Actors’ Fund of America’s obligation to disburse the set-aside funds to the beneficiary, or the beneficiary’s parent, guardian, trustee, or estate pursuant to this chapter.*

(B) *If the beneficiary, or his or her representative or estate, later claims the beneficiary’s balance, after the date on which the beneficiary’s account balance has been transferred to the general account of the Actors’ Fund of America under subparagraph (A), then that balance shall be increased during the period after that date by an imputed investment return, as adjusted quarterly, that equals the federal reserve rate in effect on the last business day of*

1 *the prior calendar quarter of or, if lower, the national average*
2 *money market rate as published in The New York Times on the last*
3 *Sunday of the prior calendar quarter.*

4 (3) *In determining each beneficiary's balance, the Actors'*
5 *Fund of America may charge the beneficiary for reasonable*
6 *management, administrative, and investment expenses, including*
7 *beneficiary-specific fees for initial set up, account notifications,*
8 *and account disbursements, and a reasonably allocable share of*
9 *management, administrative, and investment expenses of the*
10 *master account.*

11 (4) (A) *Upon receiving a certified copy of the beneficiary's*
12 *birth certificate, or United States passport, and a true and*
13 *accurate photocopy of the trustee's statement pursuant to Section*
14 *6753, the Actors' Fund of America shall transfer the beneficiary's*
15 *balance to the trust account established for the beneficiary.*

16 (B) *The Actors' Fund of America shall disburse the set-aside*
17 *funds to a beneficiary who has attained 18 years of age, after*
18 *receiving proof of the beneficiary's identity and a certified copy of*
19 *the beneficiary's birth certificate or United States passport.*

20 (C) *The Actors' Fund of America shall disburse the set-aside*
21 *funds to the estate of a deceased beneficiary after receiving*
22 *appropriate documentation evidencing the death of the*
23 *beneficiary and the claimant's authority to collect those funds on*
24 *behalf of the beneficiary.*

25 (f) *Notwithstanding any provision of this chapter to the*
26 *contrary, any minor's employer holding set-aside funds under this*
27 *chapter, which funds remain unclaimed 60 days after the effective*
28 *date hereof, shall forward those unclaimed funds to the Actors'*
29 *Fund of America, along with the minor's name and, if known, the*
30 *minor's social security number and last known address and shall*
31 *notify the parent, guardian, or trustee of that transfer by certified*
32 *mail to the last known address. Upon that transfer to the Actors'*
33 *Fund of America, the minor's employer shall have no further*
34 *obligation or duty to monitor or account for the funds.*

35 (g) *All funds received by the Actors' Fund of America pursuant*
36 *to this section shall be exempt from the application of the*
37 *Unclaimed Property Law (Title 10 (commencing with Section*
38 *1300) of Part 3 of the Code of Civil Procedure), including, but not*
39 *limited to, Section 1510 of the Code of Civil Procedure.*

40 SEC. 3. Section 6753 of the Family Code is amended to read:

1 6753. (a) The trustee or trustees shall establish a trust
2 *account, which shall be known as a Coogan Trust Account,*
3 pursuant to this section at a bank, savings and loan institution,
4 credit union, brokerage firm, or company registered under the
5 Investment Company Act of 1940, unless a similar trust has been
6 previously established, for the purpose of preserving for the
7 benefit of the minor the portion of the minor's gross earnings
8 pursuant to paragraph (1) of subdivision (b) of Section 6752 or
9 pursuant to paragraph (1) of subdivision (c) of Section 6752. The
10 trustee or trustees shall establish the trust pursuant to this section
11 within seven business days after the minor's contract is signed by
12 the minor, *the third-party individual or personal services*
13 *corporation (loan-out company),* and the employer.

14 (b) Except as otherwise provided in this section, prior to the
15 date on which the beneficiary of the trust attains the age of 18 years
16 or the issuance of a declaration of emancipation of the minor under
17 Section 7122, no withdrawal by the beneficiary or any other
18 individual, individuals, entity, or entities may be made of funds on
19 deposit in trust without written order of the superior court pursuant
20 to paragraph (7) of subdivision (b) or paragraph (5) of subdivision
21 (c) of Section 6752. Upon reaching the age of 18 years, the
22 beneficiary may withdraw the funds on deposit in trust only after
23 providing a certified copy of the beneficiary's birth certificate to
24 the financial institution where the trust is located.

25 (c) The trustee or trustees shall, within 10 business days after
26 the minor's contract is signed by the minor, *the third-party*
27 *individual or personal services corporation (loan-out company),*
28 and the employer, prepare a written statement under penalty of
29 perjury that shall include the name, address, and telephone number
30 of the financial institution, the name of the account, the number of
31 the account, the name of the minor beneficiary, the name of the
32 trustee or trustees of the account, and any additional information
33 needed by the minor's employer to deposit into the account the
34 portion of the minor's gross earnings prescribed by paragraph (1)
35 of subdivision (b) or paragraph (1) of subdivision (c) of Section
36 6752. The trustee or trustees shall attach to the written statement
37 a true and accurate photocopy of any information received from
38 the financial institution confirming the creation of the account,
39 such as an account agreement, account terms, passbook, or other
40 similar writings.



1 (d) If the trust is established in the United States, it shall be
2 established either with a financial institution that is and remains
3 insured at all times by the Federal Deposit Insurance Corporation
4 (FDIC), the Securities Investor Protection Corporation (SIPC), or
5 the National Credit Union Share Insurance Fund (NCUSIF) or
6 their respective successors, or with a company that is and remains
7 registered under the Investment Company Act of 1940. If the trust
8 is established outside the United States, the financial institution
9 shall be a first-class international bank. The trustee or trustees of
10 the trust shall be the only individual, individuals, entity, or entities
11 with the obligation or duty to ensure that the funds remain in trust,
12 in an account or other savings plan, in a financial institution
13 insured in accordance with this section, or with a company that is
14 and remains registered under the Investment Company Act of
15 1940 as authorized by this section.

16 (e) Upon application by the trustee or trustees to the financial
17 institution or company where the trust is held, the trust funds may
18 be handled by the trustee or trustees in ~~any~~ *one or more* of the
19 following methods:

20 (1) The trustee or trustees may transfer funds to another
21 account or other savings plan at the same financial institution or
22 company, provided that the funds transferred shall continue to be
23 held in trust, and subject to this ~~section~~ *chapter*.

24 (2) The trustee or trustees may transfer funds to another
25 financial institution or company, provided that the funds
26 transferred shall continue to be held in trust, and subject to this
27 chapter and that the trustee or trustees have provided written
28 notification to the financial institution or company to which the
29 funds will be transferred that the funds are subject to this section
30 and written notice of the requirements of this chapter.

31 (3) The trustee or trustees may use all or a part of the funds to
32 purchase, in the name of and for the benefit of the minor, (A)
33 investment funds offered by a company registered under the
34 Investment Company Act of 1940, provided that if the underlying
35 investments are equity securities, the investment fund is a
36 broad-based index fund or invests broadly across the domestic or
37 a foreign regional economy, is not a sector fund, and has assets
38 under management of at least two hundred fifty million dollars
39 (\$250,000,000); or (B) government securities and bonds,
40 certificates of deposit, money market instruments, money market



1 accounts, or mutual funds investing solely in those government
2 securities and bonds, certificates, instruments, and accounts, that
3 are available at the financial institution where the trust fund or
4 other savings plan is held, provided that the funds remain in trust
5 at a financial institution insured by the FDIC, SIPC, or NCUSIF
6 if within the United States or maintained in a first-class
7 international bank if not within the United States; provided that
8 those purchases have a maturity date on or before the date upon
9 which the minor will attain the age of 18 years, and provided
10 further that any proceeds accruing from those purchases be
11 redeposited into that account or accounts or used to further
12 purchase any of those or similar securities, bonds, certificates,
13 instruments, funds, or accounts.

14 SEC. 4. Section 1300.5 is added to the Labor Code, to read:

15 1300.5. (a) The work permit of a minor in the entertainment
16 industry may not be renewed, nor may a subsequent work permit
17 be issued, unless the parent or guardian demonstrates to the
18 department that a trust in accordance with Section 6753 of the
19 Family Code has been established for the benefit of the minor.

20 (b) The limitation in subdivision (a) does not apply to the
21 issuance of an employer's blanket minor work permit, or to a
22 minor covered by a blanket work permit, if the minor subsequently
23 seeks to obtain an initial individual permit to work.

24 SEC. 5. This act is an urgency statute necessary for the
25 immediate preservation of the public peace, health, or safety
26 within the meaning of Article IV of the Constitution and shall go
27 into immediate effect. The facts constituting the necessity are:

28 Because of the substantial amount of minors' earnings that
29 cannot be placed into trust under existing law, currently estimated
30 to exceed one million dollars (\$1,000,000), it is necessary that this
31 act take effect immediately.

